AR23

Welcome to London Life — serving Canadians from more than 130 offices coast to coast

Annual Report | 1979

London Life Insurance Company

On the cover: Lauren Merton, regional office staff member in downtown Toronto, typifies the London Life commitment to service displayed across Canada.

Facts at a glance

105th Annual Report of London Life Insurance Company
for the year ended December 31, 1979
(thousands of dollars except per share information)

	1979	1978	% Change
New life insurance issued	**$ 3,836,924**	$ 3,605,510	6.4
Individual policies	**2,482,084**	2,472,402	.4
Group policies	**1,354,840**	1,133,108	19.6
Life insurance in force	**$30,201,605**	$27,403,567	10.2
Individual policies	**19,827,894**	18,461,528	7.4
Group policies	**10,373,711**	8,942,039	16.0
Increase in insurance in force	**2,798,038**	2,856,100	(2.0)
Number of life insurance policies in force			
Individual	**1,861,072**	1,840,147	1.1
Group	**7,489**	6,902	8.5
Life insurance premiums	**$ 318,130**	$ 294,231	8.1
Annuity premiums	**$ 69,080**	$ 78,722	(12.2)
Health insurance premiums	**$ 103,203**	$ 84,609	22.0
Net investment income	**$ 290,459**	$ 254,130	14.3
Benefits to policyowners and beneficiaries*	**$ 270,662**	$ 228,274	18.6
Dividends to policyowners	**$ 91,883**	$ 77,481	18.6
Net income**	**$ 34,820**	$ 28,735	21.2
Total assets	**$ 3,513,068**	$ 3,222,731	9.0
Rate of return on investments (life branch excluding segregated funds)	**8.84%**	8.55%	
Earnings per share	**$23.51**	$19.10	
Dividends per share			
Regular	**$ 4.75**	$ 2.64	
Special		$10.00	

* includes benefits under life, annuity and health policies
**includes shareholders' portion of net income of $11,753 ($9,552 in 1978)

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London Life Insurance Company
Head Office: 255 Dufferin Avenue, London, Canada

Incorporated by special act under the Laws of Canada

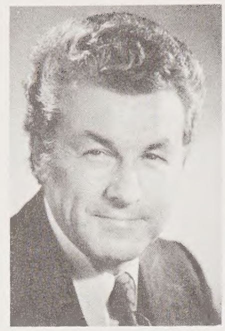
Pour recevoir ce rapport annuel en français, il suffit d'en faire la demande.

Directors

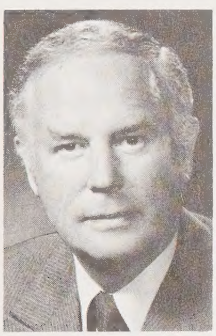
Joseph Jeffery,
O.B.E., C.D., Q.C., LL.D.
Chairman of the Board

John H. Moore,
LL.D.
Vice-Chairman of the Board

Alexander H. Jeffery, Q.C.
President



Earl H. Orser
Executive Vice-President and Chief Operating Officer



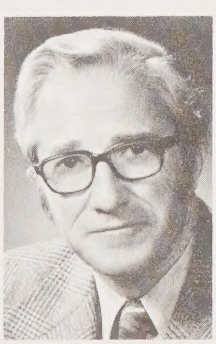
John B. Cronyn
Corporate Director and Consultant
John Labatt Ltd.

H. Clifford Hatch
Chairman and Chief Executive Officer
Hiram Walker - Gooderham and Worts Limited

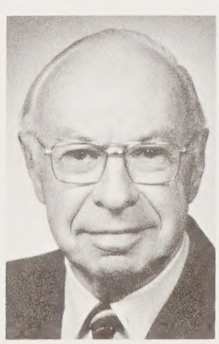
Gordon D. Jeffery
Barrister & Solicitor

Allen T. Lambert
Director of Various Companies

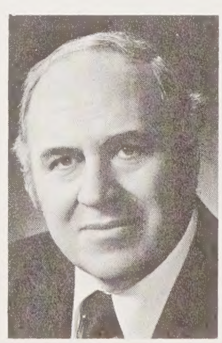
A. J. Little
Director of Various Companies



Donald Smith
President
Ellis-Don Limited



J. Allyn Taylor
Honorary Chairman
Canada Trust



John J. Wettlaufer,
LL.D.
Professor
School of Business Administration
University of Western Ontario

Committees of the Board

EXECUTIVE COMMITTEE

J. H. Moore, Chairman
A. H. Jeffery, Vice-Chairman
Joseph Jeffery
A. T. Lambert
A. J. Little
E. H. Orser
J. A. Taylor

AUDIT COMMITTEE

A. J. Little, Chairman
J. B. Cronyn
H. C. Hatch

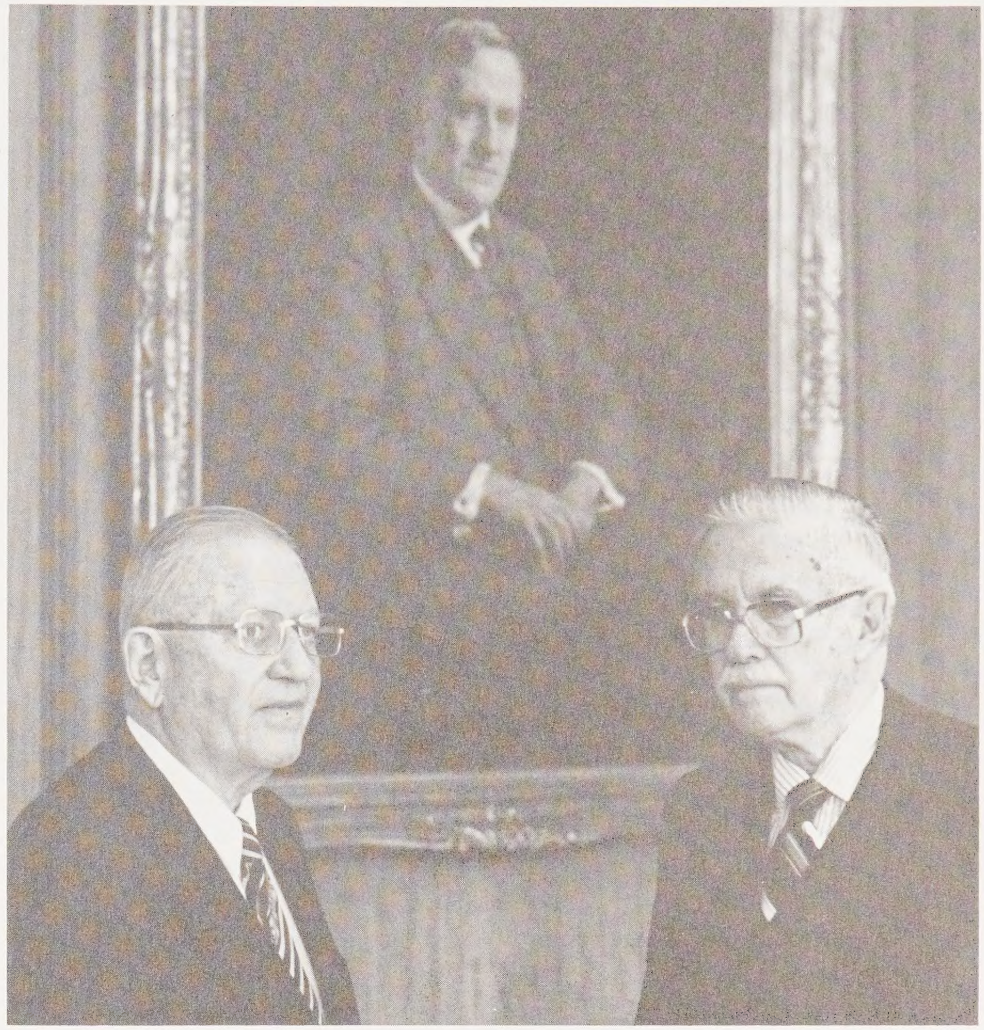
INVESTMENT COMMITTEE

Joseph Jeffery, Chairman
A. H. Jeffery, Vice-Chairman
J. H. Moore
E. H. Orser
J. A. Taylor

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

J. A. Taylor, Chairman
A. T. Lambert
D. J. Smith
J. J. Wettlaufer

Report of the Chairman and the President



Alexander H. Jeffery, President; Joseph Jeffery, Chairman

We face a changing, challenging, competitive environment in the 1980s.

In 1979 the Canadian economy experienced slower real growth, higher inflation, record interest rates, and a continuing balance of payments deficit. We believe these unsatisfactory trends will continue in 1980 and for the next few years.

"To become self sufficient we must lower our consumption and strive to further increase our production of energy."

Fortunately, Canada is one of the few industrialized nations that has the potential to become self sufficient in energy within 10 to 15 years, and this can be the key to our future growth. Excellent oil and gas discoveries in recent months, not only in the Prairies but also in the North and off Newfoundland, help bring this potential into focus. To become self sufficient we must lower our consumption and strive to further increase our production of energy; in this way we can avoid the potentially hazardous situation of importing increasing amounts of oil at rapidly escalating prices, without any assurance that enough supplies will continue to be available.

As we move to self sufficiency in energy, we can expect a continuing shift westward in Canada's economic activity. Newfoundland, too, will have its share of development.

Tremendous investments have already begun in tar sands and heavy oil plants, as well as the more conventional sources of energy. These projects are expensive, but they create jobs, incomes and investment opportunities. As a major Canadian financial institution, London Life intends to participate in these areas.

Significant changes in lifestyles are expected in every part of Canada. Higher energy prices should transform conservation from a popular slogan to an economic necessity, although there still appears to be public resistance. Cars and houses will be smaller and more efficient in energy consumption. The trend to dormitory suburbs is expected to reverse; as people live closer to where they work and shop, they will use less energy.

If inflation continues in the 10% to 11% range, interest rates will be at the 12% to 14% level, but fluctuating with market forces. During the past year economic and political uncertainty have created instability and disruption in financial markets.

In the 1980s, we expect the dollars of Canadians will be harder to come by. As inflation continues, people will be more value conscious. But they will continue to spend their hard-earned, expensive dollars on products and services they believe offer good value.

So as long as London Life is seen by Canadians as a sound company offering products and services they need and at prices that represent good value, our company will continue to grow and prosper.

At the same time, we recognize that basic to the survival of our industry is the lowering of inflation and the re-establishment of a sound Canadian dollar. A company such as ours — which deals, after all, in contracts for future delivery of dollars — can prosper only as long as Canadians continue to have confidence in their currency. Full confidence will be re-established only when government brings to bear powerful fiscal and monetary policies which will contain inflation.

Statement of corporate mission

During the past year management and your board of directors settled a statement of London Life's mission, philosophy, goals and strategies for the 1980s. We expect this statement will provide a new sense of direction and purpose for everyone associated with the company.

"We will offer and develop financial services which best meet market requirements."

The statement emphasizes the company's Canadian character, recognizes our obligations to policyowners and shareholders, and stresses our marketing perspective. With this in mind, we will offer and develop financial services which best meet market requirements.

The cornerstone of our expansion and leadership in the 1980s will be an increase in the size of the marketing organization. Our representatives are leaders. But we believe the market potential in Canada is big enough that even our present field force — powerful as it is — cannot handle all the emerging opportunities.

Management's priority is to enable London Life to respond effectively, and with a leadership role, to the changing needs of the marketplace during the 1980s. At the same time, we will maintain our tradition of integrity and reputation for service.

Review of company's organization

As another measure in preparing ourselves for the challenges of the 1980s, we have been engaged in a review of the company's organization.

In last year's report, we outlined how committees of the board of directors were reconstituted. We also described the results of the review of the organization at the vice-president level, undertaken at the direction of the board.

"The purpose was to define accountabilities and authorities, to strengthen management performance, and to foster a climate of commitment to company plans and objectives."

During 1979 we undertook the next step in this process — an organizational review at the administrative officer and management levels. The purpose of this study was to clearly define accountabilities and authorities of managers, to strengthen management performance, and to foster a climate of commitment to company plans and objectives.

Our human resources

During 1979 we established a new system for evaluating our total compensation levels for clerical and management staffs, to ensure we are in good relationship with other companies.

Then, too, we launched an improved program of pre-retirement courses for employees nearing the age of retirement; 40 staff members took advantage of the new program in its first year. Some 43 staff members took part during 1979 in our life planning and career development courses; since this program's inception in 1977, close to 1,100 home office employees have participated.

M. C. Pryce, former executive vice-president, retired as a director early in 1979 and was succeeded by E. H. Orser, executive vice-president and chief operating officer.

At the administrative officer level, J. S. Andrachuk was appointed comptroller; I. P. Brady, director, data processing; D. A. Bratton, director, human resources; J. E. Jeffery, director, actuarial operations; and J. T. Morgan, director, marketing. Also in marketing, area directors for the general sales division are J. A. Fowler, central, and N. N. Ayoub, eastern. In the district sales division, B. R. Smith was appointed associate director, and area directors are D. C. Anderson, Halifax; C. G. Chenier, Montreal; W. H. Gleed, Toronto; D. Goulden, Vancouver; D. MacDonald, Winnipeg; R. L. Reid, Hamilton; and R. M. Smith, London.

Retirements during the year included G. G. Cameron, research actuary, and D. A. Smith, a director in the marketing organization. We wish to record our appreciation for the valuable services rendered by these men over the years.

Amalgamation of two real estate investments

During 1979 two of our downtown Toronto real estate investments were amalgamated. As a result, Toronto College Street Centre Limited now has two divisions — a development division and Seachel Accommodations. We continue to own 50% of the company.

The first phase of the redevelopment was completed in 1979. This phase includes retail stores, a computer centre for The Toronto-Dominion Bank, other office premises, provincial courts, and 210 attractive residential suites, virtually fully rented by the year end.

The Seachel division, which operates the Chelsea Inn just south of the development division, reported another excellent year of operations. Occupancy rate — an average of 95% for the entire year — is believed to be the highest for any large city in North America.

Leaside Towers Apartments Limited, another real estate investment elsewhere

in Toronto, is also 50% owned by London Life. Leaside continued to operate profitably and was virtually fully occupied in 1979.

SDI Associates Limited, a wholly-owned data processing services subsidiary since 1976, was sold in 1979 to Computel Systems Ltd. of Ottawa. This sale allows Computel to broaden its data services activities, especially in the Toronto area, and enables London Life to concentrate on expansion of its financial products and services.

Commitment to agency system of marketing

After investigating the casualty insurance industry for three years, a committee of the Ontario legislature held public hearings in 1979 and early 1980 to examine the life insurance industry. In the course of visiting companies in several cities, the committee held two days of hearings at our head office in London, Ontario. The main focus of the hearings was on industry sales methods and the agency system. We understand the committee expects to table its findings in the Ontario legislature by mid-year.

"The agency system is the only means by which we can develop a skilled, soundly trained, experienced sales force."

During the hearings in London, we had an opportunity to outline our experience and success with the agency system of marketing. We explained how the agency system is the only means by which we can develop a skilled, soundly trained, experienced sales force, to help us best meet the needs of individual clients.

We are committed to this concept of full-time career representation and will continue to assert our conviction and our belief in its value to the public as we move ahead in the challenging 1980s.

Joseph Jeffery — Alexander H. Jeffery

Chairman of the Board *President*

Report of the Executive Vice-President and Chief Operating Officer

Earl H. Orser, Executive Vice-President and Chief Operating Officer

There were many important achievements in 1979. Sales of life insurance surpassed $3.8 billion, up 6% from 1978. By the end of the year, the company provided Canadians with over $30 billion of life insurance protection. At the same time sales of the health branch were up sharply, investment returns were at record levels, policyowner dividends were increased to new highs, expense growth was moderate and financial results showed improvement.

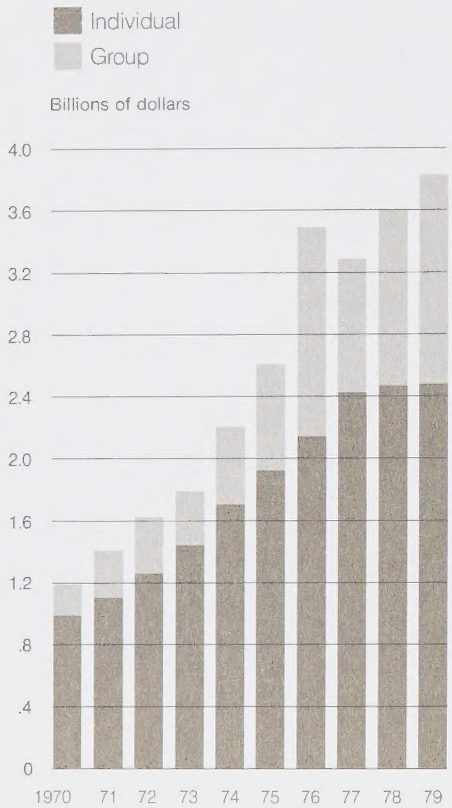
Nevertheless, the amount of individual insurance sold was little changed from 1978 and, in fact, the number of policies issued was down. The health insurance branch again incurred a loss, although a much smaller one than in the previous year.

"At a time of high inflation and economic uncertainty, many clients are seeking ways of reducing immediate expenses."

Individual life insurance surpasses $20 billion

During the year we sold a total of $2.5 billion of individual life insurance protection. As a measure of our leadership in this important field, early in 1980 we became the first company to provide Canadians with $20 billion of individual life insurance protection in force.

Growth of New Life Insurance Issued



Despite our continuing strong market position, we are not satisfied with the increase of insurance in force of $2.8 billion; this is marginally lower than 1978.

Many trends were favorable. On policies sold in 1979 the average total amount of protection was $22,860 per policy, a rise of 9% from 1978. Similarly, the average total annual premium per $1,000 of coverage grew 2% to $11.60, and the average total annual premium per policy rose 11% to $265.

Participating policies accounted for $1.487 billion of sales in 1979, down from $1.626 billion in 1978. Non-participating sales totalled $1.042 billion in 1979, up from $889 million. Experience shows that while participating policies have higher premiums, the net cost of insurance is usually less in the long run. However, at a time of high inflation and economic uncertainty, many clients are seeking ways of reducing immediate expenses.

Late in 1979, we moved to reinforce our overall position in the individual insurance market. We announced new, competitive term insurance rates; the success of this measure is indicated by the fact that sales of individual term policies rose in the closing weeks of 1979. Rising interest rates enabled us to announce a significant improvement in the 1980 dividend scale; this should enhance the sales of permanent participating insurance and encourage continuation of existing policies. Interest returns on participating policies were fast approaching new money interest rates until the sudden surge in interest rates in the last half of 1979.

Also, we are making another special offer early in 1980 in which many thousands of policyowners are given an opportunity to increase their coverage in an inflationary environment, without the need for the normal medical examination. Similar programs, both in 1977 and 1978, helped create many additional sales opportunities.

We are proud of the fact that we have strong coast-to-coast sales representation. In 1979 Ontario continued to account for more than half the new individual life insurance issued, Quebec 14% and the Maritime provinces almost 6%. In the four western provinces, sales amounted to 27% of the total in 1979, up from 25% in 1978; the economic growth and a high level of business activity, based on natural resource development, help account for this trend.

Strong growth in group sales

Group insurance continued its strong growth patterns of recent years.

In group life, $1.355 billion of insurance was issued in 1979, up almost 20% from 1978. By year end, our total amount of group life in force was $10.374 billion, more than one-third of all the life insurance we provide to Canadians.

In the health branch, dental premium income in force at year end rose 39% to $27.3 million. Similarly, income disability premiums rose 14% to $64.6 million, and other health benefits 29% to $28.4 million. These increases result not only from inflation in the costs of services we insure, but also the need to increase premiums to improve the results of our health branch operations.

"With increased, more realistic premium rates we must sell aggressively and provide excellent service in a competitive marketplace."

The number of health groups we insure reached 7,244 at year end, up 567 from 1978. However, we lost 849 groups during the year, 341 more than in 1978; this turnover indicates that with increased, more realistic premium rates we must sell aggressively and provide excellent service in a competitive marketplace.

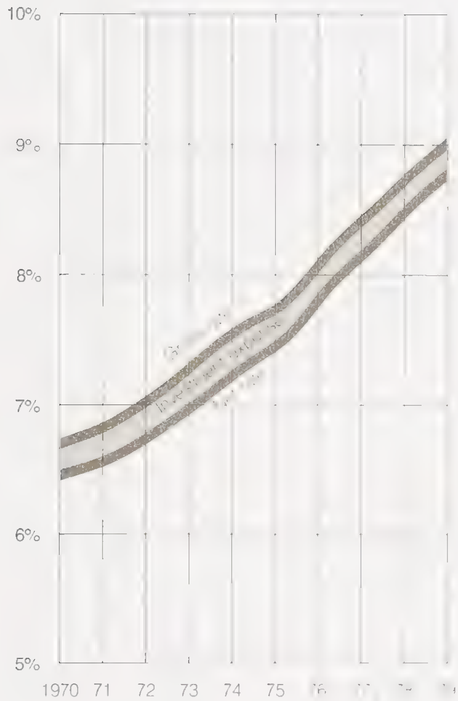
The combination of increased competition, health care costs which continue

to grow and expense pressure, again produced an operating loss in the health branch. However, the 1979 loss of $316,000 was $730,000 less than the 1978 loss of $1,046,000.

In the group pension branch, sales activity continued at about the same level as in 1978. However, total premium income was $44.8 million, $1.9 million lower than in 1978 when several large, non-recurring amounts were received.

During the year, much of our emphasis in the group benefits division was on productivity improvements in administration, cost reduction, and selective premium rate increases to improve our profitability.

Interest Rates Earned



"We are determined to price our products on a sound basis which will produce a satisfactory return."

For groups of five to nine employees we improved our small group product that combines life and health protection in a single package, by making available dental benefits and higher life and disability benefits. For large groups, we began offering our new Data-Share claims certification service; this plan improves claims service and lowers administration costs for the employer.

Despite the continuing competitive pressure in group markets, we are determined to price our products on a sound basis which will produce a satisfactory return.

New investments in 1979 yield 10.1%

Many investment records were established during the year.

New investments in the life branch amounted to a record $457 million in 1979, up $29 million from 1978 and double the amount of just five years earlier.

The Report of the Chairman and the President has referred to the high interest rates prevailing in all investment markets. A result was that your company's average gross yield on new investments, before taxes, was a record 10.1% in 1979, compared with 9.9% in 1978.

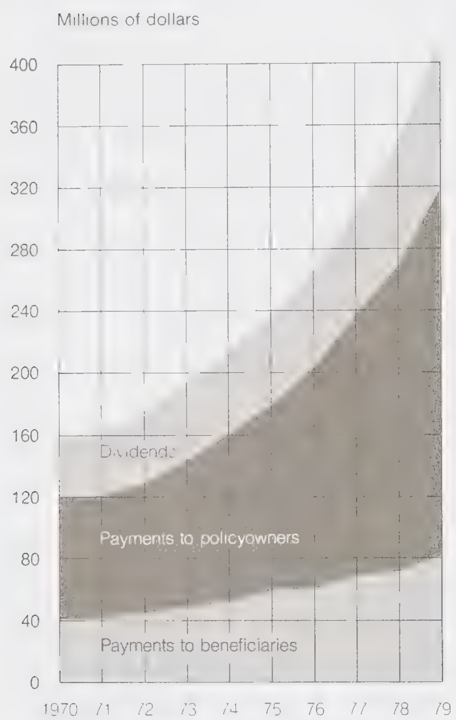
"This is in line with our policy of increasing our investments in high quality equities, to take advantage of favorable tax treatment."

Of these new investments, 75% or $341 million was in mortgages, the vast majority of which helped provide housing for Canadians. The high quality of our mortgage portfolio — and the efficiency of our collection system — is illustrated by the fact that of our 52,639 mortgage accounts, payments on only 54 were behind schedule by 90 days at year end; this is an exceptionally low rate among Canadian mortgage lenders.

London Life continues its role as the largest residential mortgage lender among Canadian insurance companies. However, as housing construction declines, we plan to increase the proportion of loans on existing housing and to invest more mortgage money in industrial and commercial properties.

During 1979 we invested $42 million in bonds in the life branch, down from $108 million in 1978. At the same time, we invested $74 million in common and preferred stocks, a record for any year and almost triple the $26 million of 1978; this is in line with our policy of increasing our investments in high quality equities, to take advantage of the more favorable tax treatment available to us since 1978.

Benefits Paid to Policyowners and Beneficiaries



Continued growth in policyowner dividends

Under our improved dividend scale for 1980, dividends will increase by a further $14 million to $92 million. The greatest dividend increases arise on older policies and those with higher cash values.

Dividends have been growing rapidly in recent years because improved investment returns and favorable mortality experience have more than offset the growth in expenses. In particular, rising interest rates are gradually being reflected in our average yield, as bond issues and mortgages mature and funds are reinvested at the higher interest rates. In 1980 we will continue to pay more dividends to Canadians than any other life insurance company.

Meanwhile, other benefits provided for policyowners and beneficiaries totalled $271 million, up from $228 million in 1978.

Mortality experience continued at favorable levels. With growth in the amount of protection we provide, death claims grew from $66 million in 1978 to $75 million in 1979.

With the increasing amounts of health insurance, together with rapid escalation of medical costs, health benefits rose from $64 million in 1978 to $82 million in 1979.

As in other periods of high interest rates and uncertain economic conditions, more policyowners turned to their life insurance policies as a source of ready funds. As a result, cash surrenders grew from $41 million in 1978 to $51 million in 1979. Loans on policies increased $30 million, following an increase of $16 million in 1978.

Financial results continue to improve

In last year's report, we discussed the new financial reporting rules which came into effect in 1978. During 1979 some further refinements were made to these rules, so some of our 1978 figures have been restated as described in the financial statements and notes.

At the same time, we have moved from calculating income taxes using a taxes payable method to a tax allocation method. The new method establishes a more appropriate income tax liability and a better matching of income taxes with revenues and expenses.

"Considering the environment of high inflation, the 1979 increase in operating expenses was modest."

The company's financial results showed substantial improvement. Income from operations — before dividends to policyowners and taxes — increased to $153.0 million from $132.2 million in 1978. Net income (after policyowner dividends, premium and income taxes) rose 21% from $28.7 million (restated) in 1978 to $34.8 million in 1979. The earnings per share for 1979 at $23.51 grew 23% over the prior year's $19.10 (restated).

Good mortality experience and interest earnings referred to earlier, help account for the improvement but the relatively lower rate of new business in the life branch also contributed. In years when there is lower growth of life insurance sales, there is still a reduction in new business acquisition costs which are charged to profits.

Considering the environment of high inflation, the 1979 increase in operating expenses was modest. When we adjust the statement of income for expenses of the subsidiary SDI Associates Limited which was sold in 1979, the rate of expense increase in London Life's own operations is about 3.9%.

Leadership in the '80s

The Report of the Chairman and the President has referred to the evaluation and realignment of our management organization. We have settled the accountabilities and decision-making authority of all management positions. Also, as well as making best use of our existing management skills, we have recruited a number of outstanding executives from outside the company to fill important positions.

Our emphasis on the marketing function led to the establishment of the new post of director of marketing who directs experts in product design, development and pricing, marketing and industry research, and communications. As the result of changes in field sales force management, 10 positions of area director have been established. These sales executives are responsible for directing the regional managers of our various agencies and their offices are located in the areas they supervise.

"Improved budgeting procedures are in place and a new management information system has been designed for use in 1980."

The vice-president, finance, appointed early in 1979 to this newly-established position, is now actively directing the efforts of the new appointees to the positions of comptroller; director, data processing; and manager, operations improvement. Work has progressed in the development of systematic business planning. Improved budgeting procedures are in place and a new management information system has been designed for use in 1980.

During 1979 marketing management completed the design and introduction of an improved small (under nine lives) group package for modest size businesses, completed a comprehensive review of the individual term insurance market and redesigned and repriced on a very competitive basis, our individual term insurance product line. Substantial resources have been committed to the development of additional new and modified individual and group products.

Management recognizes that expansion of our sales forces is the cornerstone of success in the future. We will reinforce London Life's traditional strength in the recruiting and training of sales representatives.

Our company has computer based systems and communications requirements which are very large and dynamic. During 1979 a review was made of our future equipment needs. In January 1980 a new computer, with double the capacity, was installed.

As changes in organization and objectives occurred during the last year, many managers and staff have been required to take on new tasks, some have new jobs to learn and many have worked particularly hard. Senior management acknowledges and appreciates the effort and commitment of all London Life people.

Management of the company will respond to the challenge of leadership and has settled on the basic strategies to expand the company in the 1980s.

Earl H. Orser

Executive Vice-President and Chief Operating Officer

Responsibility for financial statements

Management, board of directors and audit committee

The accompanying consolidated financial statements were prepared by management using accounting policies prescribed or permitted by the Department of Insurance of Canada. Some of the assets and liabilities include amounts which are based on estimates and judgments as their final determination is dependent upon subsequent events. These estimates and judgments were based on information available up to February 4, 1980, the date the accompanying consolidated financial statements were approved by the Operating Committee. It is the opinion of management that the accounting policies utilized are appropriate in the circumstances and properly reflect the financial position, results of operations and changes in financial position of the Company within reasonable limits of materiality.

The Board of Directors is assisted in its responsibilities for the accompanying consolidated financial statements through its Audit Committee. The Audit Committee was established by the Board of Directors in 1978 and consists of three directors not involved in the daily operations of the Company; one representing the policyowners, two representing the shareholders. The function of this committee is to:

- Review all formal financial statements and recommend them for approval by the Board of Directors.
- Review the systems of internal control and security.
- Recommend the appointment of the external auditors and their fee arrangements to the Board of Directors.
- Review other accounting, financial and security matters as required.

In carrying out the above responsibilities this committee meets regularly with management and both the Company's external and internal auditors to approve the scope and timing of their respective audits and to review their findings and to satisfy itself that their responsibilities have been properly discharged.

The consolidated financial statements were reviewed by the Audit Committee and submitted by them with their recommendations to the Board of Directors for submission to the Annual Meeting.

Valuation actuary

The Valuation Actuary is appointed by the Board of Directors pursuant to Section 71.1 of the Canadian and British Insurance Companies Act. His function is to carry out an annual valuation of the Company's actuarial liabilities in accordance with the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries for the purpose of issuing reports to the external auditors, directors, policyowners, shareholders and Superintendent of Insurance. These reports express his opinion based on an informed judgment that:

- Good and sufficient provision has been made for all the obligations guaranteed under the terms of the policies in force.
- The assumptions for interest, mortality, morbidity and other contingencies are appropriate to the circumstances of the Company and the policies in force and are applied on consistent bases.
- The method used to calculate policy reserves produces a reserve in respect of each life insurance policy that is not less than the reserve produced by the use of methods as prescribed by statute.

External auditors

Clarkson Gordon have been appointed external auditors pursuant to Section 78.1 of the Canadian and British Insurance Companies Act to report to the policyowners, shareholders and directors and to the Superintendent of Insurance regarding the fairness of presentation of the Company's financial position and results of operations as shown in the annual financial statements.

Their opinion is based upon an examination conducted in accordance with generally accepted auditing standards. The examination includes obtaining an understanding of the Company's accounting systems and procedures and internal controls. They are permitted, by statute, to rely on any reserve included in the financial statements in respect of which the Company's Valuation Actuary has given an opinion.

The external auditors make appropriate tests of the Company's transactions and obtain sufficient audit evidence in the circumstances, based on their evaluation of the systems of internal control, to provide reasonable assurance that the financial statements are not materially misleading. However, it is neither practical nor necessary for them to examine all of the Company's transactions.

Report of the Valuation Actuary

I have made the valuation of actuarial liabilities as set out in note 4 of the notes to consolidated financial statements, of London Life Insurance Company for its balance sheets at December 31, 1979 and 1978 and its income statements for the years then ended.

In my opinion, the valuations conform to the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries, the amounts of the actuarial liabilities make proper provisions for the obligations payable in the future under the Company's policies, and proper charges on account of those liabilities have been made in the income statements, all applied on consistent bases after giving retroactive effect to the changes in methods of calculation as described in note 2.

L. B. Fewster, F.S.A., F.C.I.A.

London, Canada
February 4, 1980

Auditors' Report

To the Policyowners,
Shareholders and Directors of
London Life Insurance Company:

We have examined the consolidated balance sheet of London Life Insurance Company as at December 31, 1979 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances; we have relied on the opinion of the Company's Valuation Actuary as to the amount of the Company's actuarial liabilities as shown in note 4.

In our opinion, based on our examination and the opinion of the Valuation Actuary, these financial statements present fairly the financial position of the Company as at December 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 applied on a basis consistent with that of the preceding year after giving retroactive effect to the changes in accounting principles described in note 2.

Clarkson Gordon
Chartered Accountants

London, Canada
February 4, 1980

Consolidated balance sheet

As at December 31
(thousands of dollars)

Assets	1979	1978
The Company has the following assets to meet its obligations to policyowners:		
Bonds and debentures	**$ 773,555**	$ 825,807
Stocks	**128,241**	62,966
First mortgages	**2,158,506**	1,921,838
Real estate:		
Income-producing properties At cost less accumulated depreciation of $5,420 ($5,418 in 1978).	**6,495**	6,922
Head office premises At cost less accumulated depreciation of $9,917 ($9,517 in 1978).	**14,704**	15,006
Loans on policies These loans are fully secured by the cash value of the policies on which the respective loans are made.	**233,412**	203,526
Cash and short term deposits	**9,606**	22,105
Accrued investment income	**38,511**	35,628
Furniture, equipment and leasehold improvements At cost less accumulated depreciation and amortization of $14,219 ($12,848 in 1978).	**4,751**	6,593
Premiums in course of collection	**17,269**	14,038
Other assets	**7,135**	8,770
Segregated funds' investments For group pension and individual equity contracts.	**120,883**	99,532
Total assets	**$3,513,068**	$3,222,731

(The attached "Notes to consolidated financial statements" are an integral part of this statement)

Liabilities, capital stock and retained earnings

	1979	1978
The liabilities which the Company has assumed are:		
Policy reserves (note 2)	**$2,171,952**	$2,011,927
This amount together with segregated funds' policy reserves, future premiums and interest earnings provides for the payment of benefits promised on all policies in force.		
Other obligations to policyowners:		
Dividends due and left by policyowners to accumulate	**379,469**	339,457
Proceeds of policies left on deposit for policyowners and beneficiaries	**14,671**	14,836
Provision for dividends payable to policyowners	**92,744**	78,113
Provision for unpaid and unreported claims	**35,185**	34,680
Premiums paid in advance	**8,236**	8,550
Staff pension and insurance reserves (note 5)	**248,909**	223,856
Prepaid taxes on mortgage accounts	**19,744**	18,496
Current taxes	**5,074**	13,948
Future income taxes (note 2)	**11,846**	8,358
Other liabilities	**22,774**	21,842
Segregated funds' policy reserves and other liabilities	**120,883**	99,532
Total liabilities	**$3,131,487**	$2,873,595
The capital stock and retained earnings provide additional security for policyowners and their beneficiaries:		
Capital stock:		
Authorized, issued and fully paid — 500,000 shares of $2 par value	**$ 1,000**	$ 1,000
Retained earnings:		
Appropriated (note 6)	**$ 59,076**	$ 68,772
Unappropriated	**$ 321,505**	$ 279,364
Total capital stock and retained earnings	**$ 381,581**	$ 349,136
Total liabilities, capital stock and retained earnings	**$3,513,068**	$3,222,731

Consolidated statement of retained earnings

For year ended December 31, 1979
(thousands of dollars)

	Life branch Participating	Life branch Non-participating	Health branch	Shareholders' account	**Total**
Appropriated					
Balance, January 1					
As previously reported	$ 56,043	$10,359	$ 6,150		**$ 72,552**
Adjustments due to changes in accounting policies (note 2)					
Future income taxes			(3,780)		**(3,780)**
As restated	$ 56,043	$10,359	$2,370		**$ 68,772**
Appropriations					
Increase in investment reserves	1,880	618	6,459		**8,957**
Increase in other asset valuation reserves	569	160	133		**862**
Increase (decrease) in contingency reserves	(19,594)	116	(37)		**(19,515)**
	$ (17,145)	$ 894	$ 6,555		**$ (9,696)**
Balance, December 31	$ 38,898	$11,253	$ 8,925		**$ 59,076**
Unappropriated					
Balance, January 1					
As previously reported	$151,998	$82,478	$ 1,280	$ 3,070	**$238,826**
Adjustments due to changes in accounting policies (note 2)					
Future income taxes	(9,896)	5,462	(143)	(1)	**(4,578)**
Policy reserves	46,350	766			**47,116**
Vacation pay	(1,351)	(390)	(259)		**(2,000)**
	$ 35,103	$ 5,838	$ (402)	(1)	**$ 40,538**
As restated	$187,101	$88,316	$ 878	$ 3,069	**$279,364**
Net income	25,374	9,572	(316)	190	**34,820**
Transfers and appropriations					
Portion of life branch participating distribution	(2,307)			2,307	
Transfer to shareholders' account		(7,000)		7,000	
Transfer to health branch			6,500	(6,500)	
Appropriations	17,145	(894)	(6,555)		**9,696**
Dividends to shareholders				(2,375)	**(2,375)**
Balance, December 31	$227,313	$89,994	$ 507	$ 3,691	**$321,505**

(The attached "Notes to consolidated financial statements" are an integral part of this statement)

Consolidated statement of income

For year ended December 31
(thousands of dollars except earnings per share)

	1979	1978
Income:		
Premiums (note 7)	**$505,032**	$472,915
Investment income less investment expenses of $11,695 ($11,142 in 1978)	**290,459**	254,130
Income of subsidiary companies	**4,531**	7,457
	$800,022	$734,502
Distribution:		
For policyowners and beneficiaries —		
Benefits under life insurance policies:		
Death	**$ 74,704**	$ 65,738
Disability	**1,683**	1,604
Matured endowments	**6,844**	6,520
Cash surrenders	**51,055**	40,793
Annuity benefits	**54,828**	49,374
Health insurance benefits	**81,548**	64,245
Interest on amounts on deposit and other liabilities	**32,542**	26,778
Additions to policy reserves	**160,025**	167,724
Additions to staff pension and insurance reserves	**25,053**	24,484
Additions to segregated funds' policy reserves	**21,354**	19,265
For operating expenses —		
New insurance and field service to policyowners	**69,493**	69,198
Head and regional offices	**63,240**	58,586
Expenses of subsidiary companies	**4,621**	8,038
	$646,990	$602,347
Income from operations before dividends to policyowners and taxes	**$153,032**	$132,155
Dividends to policyowners	**$ 91,883**	$ 77,481
Premium taxes	**7,048**	6,537
Income taxes — current	**15,793**	17,390
— future	**3,488**	2,012
	$118,212	$103,420
Net income	**$ 34,820**	$ 28,735
Analysis of net income:		
Life branch participating	**$ 25,374**	$ 21,111
Life branch non-participating	**9,572**	8,486
Health branch	**(316)**	(1,046)
Investment income on shareholders' account	**190**	184
Net income	**$ 34,820**	$ 28,735
Earnings per share (note 8)	**$23.51**	$19.10

(The attached "Notes to consolidated financial statements" are an integral part of this statement)

Consolidated statement of changes in financial position (excluding segregated funds)

For year ended December 31
(thousands of dollars)

	1979	1978
Sources of cash:		
Operations —		
Net income	**$ 34,820**	$ 28,735
Add charges (credits) not affecting cash		
Additions to policy reserves	**160,025**	167,724
Additions to staff pension and insurance reserves	**25,053**	24,484
Depreciation and amortization	**2,591**	2,729
Net gains on disposal of investments	**(88)**	(7)
Amortization of realized and unrealized net gains on stocks	**(1,904)**	(1,215)
Amortization of realized net losses on bonds	**1,394**	410
Amortization of bond premium and discount	**(149)**	(177)
Increase in provision for unpaid and unreported claims	**505**	3,909
Increase in provision for dividends payable to policyowners	**14,631**	11,407
Increase in accrued investment income	**(2,883)**	(5,268)
Increase (decrease) in current taxes payable	**(8,874)**	5,468
Increase in future taxes	**3,488**	2,012
Miscellaneous	**471**	(3,811)
Total from operations	**$229,080**	$236,400
Increase in dividends due and left by policyowners to accumulate	**40,012**	38,077
Sale and maturity of bonds and debentures	**109,894**	80,041
Sale of stocks	**15,673**	16,462
Repayment of mortgages	**160,134**	167,896
Sale of real estate	**326**	
Repayment of policy loans	**49,197**	43,970
Miscellaneous	**1,786**	2,977
	$606,102	$585,823
Applications of cash:		
Purchase of bonds and debentures	**$ 58,887**	$189,077
Purchase of stocks	**79,044**	36,875
Advances on mortgages	**397,010**	348,913
Purchase of real estate	**875**	667
Advances on policy loans	**79,083**	59,751
Additions to furniture, fixtures and leasehold improvements	**1,327**	776
Shareholders' dividends	**2,375**	6,320
	$618,601	$642,379
Decrease in cash and short term deposits	**$ 12,499**	$ 56,556
Cash and short term deposits, beginning of year	**22,105**	78,661
Cash and short term deposits, end of year	**$ 9,606**	$ 22,105

(The attached "Notes to consolidated financial statements" are an integral part of this statement)

Notes to consolidated financial statements

For year ended December 31, 1979

1. Summary of accounting policies

The accompanying consolidated financial statements have been prepared using accounting policies prescribed or permitted by the Department of Insurance of Canada. A summary of the significant policies is set out below.

Basis of consolidation —
The consolidated financial statements combine the life and health insurance branches and include all subsidiary companies.
SDI Associates Limited and its' wholly-owned subsidiary LONSDALE Systems Limited were sold on August 8, 1979 and their operations are consolidated to the date of sale.

Basis of accounting for non-consolidated long-term investments —
The Company has equity investments in several Canadian real estate companies.
These investments are accounted for on the equity method as prescribed by the Department of Insurance of Canada. Under this method, the investments are carried at cost plus the Company's proportionate share of undistributed earnings since acquisition.

Asset valuation —

- Bonds and debentures in the life branch are shown at amortized cost minus or plus the balance of unamortized gains or losses on the disposal of such securities. The differences between the proceeds on disposal of the securities and their amortized costs are considered to be an adjustment of future portfolio yield and are amortized on a straight-line basis from the year of disposal to the year of maturity, or 20 years, whichever is less. The balance of unamortized net losses added as at December 31, 1979 amounted to $5,662,000 ($1,737,000 in 1978). Gains and losses on the disposal of bonds and debentures in the health branch are recognized as realized.
- Stocks are shown at cost minus or plus an adjustment, as prescribed by statute, for realized and unrealized gains and losses. The net gains deducted as at December 31, 1979 amounted to $6,720,000 ($4,187,000 in 1978) and reflects the portion of the realized and unrealized net gains that will be taken into income in future years.
- Mortgages are valued at amortized cost less principal repayments.
- Real estate is shown at cost less accumulated depreciation.
- Loans on policies are shown at their unpaid balance and are fully secured by the cash surrender values of the policies on which the respective loans are made.
- Furniture, equipment and leasehold improvements are valued at cost less accumulated depreciation and amortization.
- Segregated funds' investments are valued at market.

Depreciation and amortization —

- Income-producing properties are depreciated on a sinking-fund basis at rates based on the terms of the respective leases.
- Head office premises are depreciated at various rates on a straight-line basis over their estimated useful lives.
- Electronic data processing equipment and furniture and fixtures are depreciated at various rates on a straight-line basis over their estimated useful lives.
- Leasehold improvements are amortized on a straight-line basis over the terms of the respective leases.

Policy reserves —
Policy reserves and segregated funds' policy reserves represent the amount determined by the Valuation Actuary which, together with future premiums and interest, will provide for future benefits on insurance and annuity contracts. Policy reserves are equal to the minimum reserves required by statute and are calculated on the net level premium basis less a deduction for deferred acquisition costs. The reserves together with the provision for dividends payable to policyowners are not less than the cash value of the respective policies. The interest, mortality, morbidity and other assumptions used in the reserve calculations are appropriate to the circumstances of the Company and the policies in force. The deferred acquisition costs are amortized over all or part of the premium period of the policy within the limits prescribed by statute.

Income taxes —
Income taxes are provided using the tax allocation method. Under this method, income taxes are provided on the basis of financial statement income rather than on taxable income. Accordingly, future income taxes are provided in the Company's accounts in respect of those elements of income and expense that are recognized for financial reporting and income tax purposes in different accounting periods.

The provision for future income taxes reflected in the attached consolidated statements of income for 1978 and 1979, as well as the cumulative amount of such taxes at December 31, 1977 have been calculated by using the accrual method on a discounted basis. Under this method, the balance of future income taxes at the end of each year is determined by applying that year's effective income tax rate to the identified timing differences, and discounting the resulting amount to present value by using an appropriate interest factor and taking into consideration the period and manner in which such timing differences are expected to reverse. Changes in the future income tax balances, arising due to changes in the interest rate assumptions or effective income tax rates, are included in income in the year in which such changes occur.

Distribution of net income —
Distribution of net income to the participating policyowners and shareholders is determined by the Board of Directors. The earnings attributable to the shareholders include those of the health branch, life branch non-participating account, investment earnings credited to the shareholders' account and a portion of the life branch participating account. The shareholders' portion of the earnings of the life branch participating account is limited to a maximum of 2½ % of the distributable earnings in that account.

Appropriated retained earnings —

- Investment reserves

The investment reserves represent appropriations to provide for declines in invested asset values. The methods used in determining the amounts are the minimums as prescribed by formulae in the regulations of the Canadian and British Insurance Companies Act.

- Other asset valuation reserves

Certain assets recorded in the accounts are excluded by the Department of Insurance of Canada in their solvency tests. Because of this, the Company must appropriate retained earnings equal to the respective assets' net book values. These special reserves are shown as other asset valuation reserves and are in respect of the following:

Furniture and fixtures
Leasehold improvements
Agents' debit balances
Premiums in arrears more than 90 days
Other non-admitted assets

- Contingency reserves

These reserves are amounts in excess of those required by the Canadian and British Insurance Companies Act.

2. Accounting and valuation changes

During 1979, the following changes were made:

Income taxes —
Prior to 1979 income taxes were provided on the taxes payable method. Under this method, the income tax provision equalled the income taxes actually payable in respect of the year's operating results.
Effective in 1979, the Company retroactively adopted the tax allocation method to establish a more appropriate income tax liability and matching of income taxes with revenues and expenses. Under this method, income taxes are computed as described in note 1.

Policy reserves —
During the year, the Company made further refinements in the method of calculating the minimum policy reserves prescribed by statute. The changes in these reserves were adopted retroactively.

Vacation pay —
During the year, the Company retroactively adopted the policy of recognizing the estimated liability for vacation pay.

Restatement of 1978 —
In order that the amounts for 1978 be comparative, prior period adjustments were made to restate retroactively the respective liabilities and these are summarized below.

	thousands
Future income taxes	$ 8,358
Policy reserves	(47,116)
Vacation pay	2,000
Change in liabilities	$(36,758)

These accounting changes have increased (decreased) 1978 net income by the following amounts.

Future income taxes	$ (2,012)
Policy reserves	6,813
Vacation pay	(200)
Increase in net income	$ 4,601

3. Comparative Amounts

Certain of the 1978 amounts presented for comparative purposes have been reclassified to conform with the presentation adopted in the current year. In addition, certain of these amounts have been restated from those originally reported to give retroactive effect to the changes in accounting set out in note 2.

4. Actuarial liabilities

The liabilities certified by the Valuation Actuary consist of the following:

	1979	1978
	thousands	
Net level premium reserves	**$2,300,512**	$2,132,298
Deferred acquisition costs	**(128,560)**	(120,371)
Policy reserves	**$2,171,952**	$2,011,927
Provision for dividends payable to policyowners	**92,744**	78,113
Provision for unreported claims	**21,354**	18,568
Staff pension and insurance reserves	**248,909**	223,856
Segregated funds	**120,883**	99,532
	$2,655,842	$2,431,996

5. Staff pension reserves

Increased pension benefits for employees effective from January 1, 1973 resulted in an unfunded liability with respect to the plan to be amortized by special payments over 16 years to 1988. Based on the valuation of the plan performed in 1979, this outstanding unfunded liability has been reduced to $12,002,000 at December 31, 1979 ($12,917,000 at December 31, 1978). Current service costs are expensed as incurred.

6. Appropriated retained earnings

Appropriated retained earnings represent the following reserve amounts:

	1979	1978
	thousands	
Investment reserves	**$50,026**	$41,069
Other asset valuation reserves	**5,259**	4,397
Contingency reserves	**3,791**	23,306
	$59,076	$68,772

7. Premium income

This income was derived as follows:

	1979	1978
	thousands	
Life insurance —		
Participating	**$279,701**	$259,070
Non-participating	**38,429**	35,161
Annuities —		
Participating	**15,960**	18,077
Non-participating	**50,370**	57,576
Settlement	**2,750**	3,069
Health insurance	**103,203**	84,609
Staff funds —		
Life and health	**3,338**	3,826
Pension	**11,281**	11,527
	$505,032	$472,915

8. Earnings per share

The earnings per share of $23.51 ($19.10 as restated in 1978) have been calculated on the basis of 500,000 shares and the following earnings attributable to the shareholders.

	1979	1978
	thousands	
Life branch non-participating	**$9,572**	$8,486
Health branch	**(316)**	(1,046)
Shareholders' account	**190**	184
Portion of life branch participating distribution	**2,307**	1,928
	$11,753	$9,552

9. Commitments

The Company has entered into lease agreements for furniture, equipment and regional office facilities for varying periods up to 1990. The approximate future annual payments are as follows:

	Regional Office Space	Equipment	Total
		thousands	
1980	$ 3,403	$2,464	$ 5,867
1981	3,022	1,637	4,659
1982	2,398	1,292	3,690
1983	1,934	1,234	3,168
1984	1,456	1	1,457
1985 - 1990	2,098		2,098
	$14,311	$6,628	$20,939

10 years of growth

(in thousands of dollars except per share information)

	1979	1978	1977
New life insurance issued	**$ 3,836,924**	$ 3,605,510	$ 3,290,398
Individual policies	**2,482,084**	2,472,402	2,428,514
Group policies	**1,354,840**	1,133,108	861,884
Total life insurance in force	**$30,201,605**	$27,403,567	$24,547,466
Individual policies	**19,827,894**	18,461,528	16,917,324
Group policies	**10,373,711**	8,942,039	7,630,142
Number of life insurance policies in force — individual	**1,861,072**	1,840,147	1,800,075
— group	**7,489**	6,902	6,183
Total assets*	**$ 3,513,068**	$ 3,222,731	$ 2,926,164
Rate of return on investments* (life branch excluding segregated funds)	**8.84%**	8.55%	8.21%
Premiums	**$ 505,032**	$ 472,915	$ 454,041
Benefits to policyowners and beneficiaries**	**$ 270,662**	$ 228,274	$ 214,932
Dividends to policyowners	**$ 91,883**	$ 77,481	$ 65,790
Dividends to shareholders — per share***	**$ 4.75**	$ 12.64	$ 2.39

* As a result of the adoption in 1978 of certain changes in accounting principles, not all of which could be applied retroactively, the amounts shown for 1977 and prior years are not comparable with the amounts shown for 1978 and 1979.

** Includes benefits under life, annuity and health policies

***Special dividends were paid in 1978 and 1972 in the amounts of $10.00 and $2.38 per share respectively.

1976	1975	1974	1973	1972	1971	1970
$ 3,495,320	$ 2,610,496	$ 2,207,821	$ 1,793,290	$ 1,622,372	$ 1,405,056	$ 1,193,396
2,146,983	1,922,234	1,703,819	1,442,299	1,255,333	1,101,537	986,761
1,348,337	688,262	504,002	350,991	367,039	303,519	206,635
$21,861,630	$18,946,859	$16,957,268	$14,995,521	$13,449,237	$12,353,618	$11,417,268
15,240,943	13,753,748	12,394,212	11,162,969	10,138,817	9,350,581	8,780,956
6,620,687	5,193,111	4,563,056	3,832,552	3,310,420	3,003,037	2,636,312
1,751,723	1,714,997	1,676,838	1,639,161	1,600,562	1,573,539	1,557,762
5,512	4,856	4,517	4,343	4,223	4,265	4,208
$ 2,624,668	$ 2,392,256	$ 2,187,981	$ 2,023,496	$ 1,868,813	$ 1,731,395	$ 1,628,857
7.89%	7.51%	7.30%	7.04%	6.81%	6.63%	6.52%
$ 393,936	$ 350,592	$ 319,859	$ 285,101	$ 246,352	$ 222,468	$ 206,420
$ 183,468	$ 162,373	$ 142,859	$ 125,198	$ 113,764	$ 107,710	$ 108,820
$ 61,639	$ 57,047	$ 52,123	$ 49,864	$ 45,187	$ 42,416	$ 39,465
$ 2.24	$ 2.20	$ 2.00	$ 1.80	$ 3.98	$ 1.40	$ 1.20

Officers

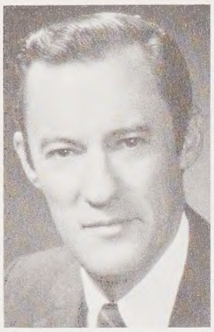
Office of the Chairman

Joseph Jeffery, O.B.E., C.D., Q.C., LL.D.
Chairman of the Board

Alexander H. Jeffery, Q.C.
President

Earl H. Orser
Executive Vice-President and Chief Operating Officer

Vice-Presidents

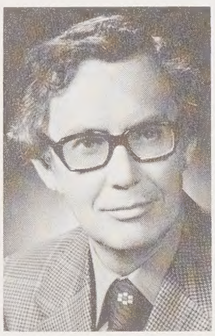


D. S. Rudd
Senior Vice-President

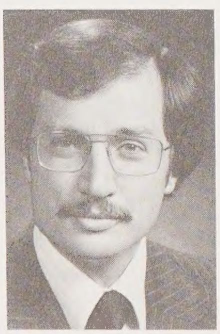
G. L. Corneil
Vice-President, Investments

D. E. Creighton
Vice-President, Marketing

N. D. Epp
Vice-President, Finance



L. B. Fewster
Vice-President and Chief Actuary



R. G. Mepham
Vice-President, Group

W. L. Pollard
Vice-President, Administration

Operating Committee

Vice-Presidents, chaired by Executive Vice-President and Chief Operating Officer.

Administrative Officers

ACTUARIAL
AND UNDERWRITING
J. E. Jeffery, Director, Actuarial Operations
J. C. McKibbon, Corporate Actuary
L. B. Sherwin, Director, Underwriting
I. R. Taylor, Actuary
J. S. Winder, M.D., Medical Director
J. B. Walker, M.D., Associate Medical Director

ADMINISTRATION
H. M. Ballantyne, Secretary
D. A. Bratton, Director, Human Resources
N. J. England, M.D., Staff Health Physician
S. P. Geddes, Director,
Individual Insurance Services
R. H. Hamill, Director, Claims
R. L. Low, Director, Regional Office Services
W. A. McCoy, Manager, Policy Service

FINANCE
J. S. Andrachuk, Comptroller
I. P. Brady, Director, Data Processing
J. C. A. Macdonald, Director,
Taxation and Cash Management

GROUP
R. E. Brown, Director,
Group Insurance Administration
J. A. Mereu, Group Actuary

INVESTMENTS
R. D. Abercromby, Director, Mortgages
G. A. Gloin, Director, Securities

MARKETING
J. T. Morgan, Director, Marketing
T. Orr, Director, Consumer Affairs
and Administration
J. B. Chick, Manager, Communication Services

DISTRICT SALES DIVISION
A. E. Bennett, Director, District Sales Division
B. R. Smith, Associate Director,
District Sales Division
D. C. Anderson, Area Director, Halifax
C. G. Chenier, Area Director, Montreal
W. H. Gleed, Area Director, Toronto
D. Goulden, Area Director, Vancouver
D. MacDonald, Area Director, Winnipeg
R. L. Reid, Area Director, Hamilton
R. M. Smith, Area Director, London

GENERAL SALES DIVISION
D. K. Shales, Director, General Sales Division
N. N. Ayoub, Area Director, Eastern
J. A. Fowler, Area Director, Central

GROUP BENEFITS DIVISION
W. D. Jackson, Director, Group Benefits Division

Regional offices

London Life maintains a network of 130 offices across the nation. These offices provide service for both individual and group coverage, and for the administration of London Life's extensive mortgage operations.

British Columbia

Burnaby
Nanaimo
New Westminster
Vancouver (6 offices)
Victoria

Alberta

Calgary (6 offices)
Edmonton (5 offices)
Lethbridge
Medicine Hat

Saskatchewan

Moose Jaw
Regina
Saskatoon

Manitoba

Winnipeg (5 offices)

Ontario

Barrie
Belleville
Brampton (2 offices)
Brantford
Brockville
Cambridge
Chatham
Cornwall
Guelph
Hamilton (6 offices)
Kingston (2 offices)
Kirkland Lake
Kitchener (2 offices)
London (5 offices)
Niagara Falls
North Bay
Orillia
Oshawa (2 offices)
Ottawa (5 offices)
Peterborough
Pickering
St. Catharines (3 offices)
St. Thomas
Sarnia
Sault Ste. Marie
Stratford
Sudbury
Thunder Bay
Timmins
Toronto (18 offices)
Welland
Windsor (2 offices)
Woodstock

Quebec

Montreal (18 offices)
Rouyn-Noranda
Sherbrooke
St. Hyacinthe
Val d'Or

New Brunswick

Moncton (2 offices)
Saint John

Nova Scotia

Cape Breton
Dartmouth
Halifax (3 offices)

London Life

15-1258—3-80

Registered trademark in Canada
of the London Life Insurance Company

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